

**Governance Assessment
Fiscal Year 2004**

October 2004

**City Auditor's Office
City of Kansas City, Missouri**

October 26, 2004

Honorable Mayor and Members of the City Council:

We conducted this audit of governance practices of boards and commissions under the authority of Article II, Section 13 of the city charter, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties. City code requires the City Auditor to administer a governance assessment checklist to boards and commissions and to report the results by November 1 each year. The audit intends to help the Mayor and City Council understand and evaluate the governance practices of boards and commissions.

The audit focuses on Kansas City boards and commissions with control over major city resources and programs. In 2003, boards and commissions spent over \$325 million in public funds. Like elected officials, boards are responsible for allocating public resources and overseeing the provision of services. Unlike elected officials, boards and commissions are not directly accountable to the voters for their actions. It is important that boards and commissions follow good governance practices and report on these practices to the City Council.

We sent assessments to board and commissions identified in the city's 2002 Comprehensive Annual Financial Report as component units, and to the Board of Parks and Recreation Commissioners. We also invited the Board of Police Commissioners to participate. All ten boards and commissions responded and the audit reflects their self-reported information. We did not verify responses to the checklist questions.

Board self-assessment surveys identified some strengths and weaknesses in core governance functions. We asked each board to answer a series of questions; the boards' answers address the extent to which a board has established each of the core functions. The survey answers indicate that boards believe they are setting overall goals, ensuring accountability for achieving goals and delineating board and staff responsibilities. The self-assessment survey responses indicate some weakness in the core functions of representing the public interest, ensuring a high level of board performance and effectiveness, and ensuring management compliance with board directives.

The audit reports the boards' responses and suggests questions board members might ask to improve governance functions. This is the third year that we have reported on the governance practices of boards and commissions. There is a brief description of each board and their response in Appendix B.

We appreciate the courtesy and cooperation extended to us by the boards and commissions that participated in the assessment. The audit team for this project was Anatoli Douditski, Sharon Kingsbury, and Michael Eglinski.

Mark Funkhouser
City Auditor

Governance Assessment Fiscal Year 2004

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Introduction

Objectives

We conducted this audit of governance practices of boards and commissions under the authority of Article II, Section 13 of the city charter, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties.

One of those duties, described in Section 2-722 of the code, requires the City Auditor to administer a governance assessment checklist to boards and commissions and to report the results. The report should help the Mayor and City Council understand and evaluate the governance practices of boards and commissions.

This is the third governance assessment report, designed to answer the following questions:

- Did the boards and commissions submit information as required by the city code?
- What are the elements of good governance?
- What happens when governance fails?

Scope and Methodology

Our review focuses on Kansas City boards and commissions with control over major city resources and programs; namely, city component units¹ and the Board of Parks and Recreation Commissioners. We selected 10 boards and commissions to include in this year's review.²

¹ According to Governmental Accounting Standards Board (GASB) Statement No. 14, a component unit of a primary government is an organization that is legally separate from the government but for which the primary government is financially accountable because the government officials appoint a voting majority of the organization's governing body and either the government is able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or to impose specific financial burdens on, the primary government.

² The 18th & Vine Authority was not included because it did not have a contractual relationship with the city when the governance assessment checklists were mailed to selected boards and commissions.

In March 2004, we distributed assessments to the Board of Parks and Recreation Commissioners and all of the component units identified in the city's 2002 Comprehensive Annual Financial Report. We also invited the Board of Police Commissioners to participate. All ten of the boards and commissions responded and this report reflects their self-reported information. We did not verify their responses to the checklist questions.

The audit was conducted in accordance with generally accepted government auditing standards. No information was omitted from this report because it was deemed privileged or confidential.

Background

Legislative Authority

City code requires certain boards and commissions to annually complete and submit checklists about their governance practices. The City Auditor is responsible for developing and distributing the checklist and must report to the Mayor and City Council by each November 1.³

This is the third year boards and commissions have been required to assess their governance practices.

Kansas City Boards and Commissions

Appointed boards and commissions oversee many functions and activities in Kansas City—maintenance of parks and recreation activities, the delivery of police and ambulance services, the use of development incentives, and other governmental services. Like elected officials, boards are responsible for allocating public resources and overseeing the provision of services. In 2003, boards and commissions spent over \$325 million in public funds. (See Exhibit 1.) Unlike elected officials, boards and commissions are not directly accountable to the voters for their actions. It is important that boards and commissions follow good governance practices and report on these practices to the City Council.

³ Code of Ordinances, Kansas City, Missouri, Section 2-722, Governance Assessment Checklist.

Exhibit 1. Boards and Commissions Responding to the 2004
Governance Assessment Checklist

Organization	FY 03 Expenditures
Kansas City Board of Police Commissioners	\$145,567,000
Board of Parks & Recreation Commissioners	75,326,000
Tax Increment Financing Commission	39,645,000
Metropolitan Ambulance Services Trust	39,359,000
Land Clearance for Redevelopment Authority	13,573,000
Port Authority of Kansas City, Missouri	8,292,000
Economic Development Corporation	3,804,000
Kansas City Downtown Minority Development Corporation ⁴	
Kansas City Maintenance Reserve Corporation	60,000
Kansas City Corp. for Industrial Development	33,000
Total	\$325,659,000

Source: Audited financial statements for 2003; 2003 CAFR; and the Adopted Budget 2004.

What Is Good Governance?

Governance is the exercise of authority, direction and control by a governing board. Governance deals with *what* an organization is to do and is focused on planning, setting goals and objectives, and developing policies to guide the organization and monitor its progress toward implementation of its plans. The primary focus of governance should be on the long-term – the organization’s mission, values, policies, goals, objectives, and accountability.⁵

A key to good governance is asking good questions. Governing bodies should hold staff accountable for providing accurate answers to their questions. Governing board members should require staff to provide the right information, and to perform as directed. Board members should question management—and one another—to exercise authority, and to provide direction and control.

Adhering to good governance practices can improve the effectiveness of board activities and result in boards that are accountable to the public and elected officials. In prior years, we have outlined the core good governance practices and will briefly review them again.

⁴ The Kansas City Downtown Minority Development Corporation did not provide an audited financial statement. In fiscal year 2002, KCDMDC’s total expenditures were \$266,000.

⁵ Guy LeClerc, W. David Managh, Jean-Pierre Boislair, and Hugh R. Andson, *Accountability, Performance Reporting, Comprehensive Audit—An Integrated Perspective*, (Ottawa, CCAF-FCVI, Inc.)

Leading the organization. Boards and commissions should develop a mission statement and communicate the mission statement to management and the public. Boards and commissions should define the overall goals designed to fulfill the organization's mission.

Setting policies delineating management responsibilities. Boards and commissions should adopt policies that clearly define board and management roles and responsibilities. Boards should set policies and goals, set the organizational structure, and ensure that adequate resources are available to implement their goals.

Ensuring management compliance with board directives. Boards and commissions should require regular reporting by the chief executive officer (CEO) to ensure management's compliance with board policies, laws, goals, and ethical standards. Boards should adopt policies defining what progress the CEO must report on and when. The board should provide performance criteria to compare with the CEO's reports.

The board should establish an audit committee and an independent internal audit function. The internal auditor should report to the CEO, be independent of the accounting and finance functions, and have direct access to the board's audit committee. In addition, boards should provide for regular external audits of the organization's financial statements.

Ensuring accountability for achieving organizational goals. Boards should continually monitor progress towards accomplishing its mission and evaluate whether goals are relevant. Boards should hold the CEO responsible for progress toward achieving goals and should assess the CEO's performance in terms of goal achievement. Boards should also seek information on goal achievement from sources independent of management's reports, such as surveys, focus groups, outside experts, the public, and constituents.

Ensuring a high level of board performance and effectiveness. Boards should define board activities and prescribe how business is conducted. Boards should regulate their behavior through by-laws, job descriptions, and a code of ethics. Boards should conduct orientation for new members and implement ongoing board training. Boards should enforce attendance/absenteeism policies and regularly self-evaluate their performance. Boards should set the agenda and lead rather than react.

Representing the public. City boards and commissions are to represent the people of Kansas City. Boards are to make decisions that will manifest the best interests of the public. While boards work with many interest groups, the board as a whole must act based on the need to

promote the general welfare. Boards should seek to enhance the credibility of their organizations and communicate and cooperate with other organizations in the government to understand how their organization fits within the big picture. Boards should gather evidence of the public's concerns and should have direct contact with citizens—their representatives—including the City Council.

Analysis

Information Submitted by Boards

All ten boards and commissions surveyed provided information, including the checklist, annual reports, strategic plans, organizational charts, and meeting minutes, when available. We did not verify the information provided. The following boards submitted information:

- Board of Police Commissioners
- Board of Parks and Recreation Commissioners
- Tax Increment Financing Commission
- Metropolitan Ambulance Services Trust
- Land Clearance for Redevelopment Authority
- Port Authority of Kansas City, Missouri
- Economic Development Corporation
- Kansas City Downtown Minority Development Corporation
- Kansas City Maintenance Reserve Corporation
- Kansas City Corporation for Industrial Development

Surveys Suggest Potential Strengths and Weaknesses

Board self-assessment surveys identified some strengths and weaknesses in core governance functions. We asked each board to answer a series of questions about each of the core governance functions. The boards' answers address the extent to which a board has established each of the core functions. These self-assessment surveys indicate that boards we surveyed believe they are setting overall goals, ensuring accountability for achieving goals, and delineating board and staff responsibilities. The self-assessment surveys show relative weakness in the core functions of representing the public interest, ensuring a high level of board performance and effectiveness, and ensuring board compliance with board directives.

Areas where boards established functions. Board survey data indicated areas where boards report they are establishing core functions:

- Setting overall goals
- Ensuring accountability for achieving goals
- Delineating board and staff responsibilities

Core functions that could be improved. Responses to the survey indicated several areas where boards have not established core functions to the same extent. Governance practices that could be improved are:

- Representing the public interest
- Ensuring a high level of board performance and effectiveness
- Ensuring compliance with board directives

Representing the Public Interest

Survey responses show that six of ten boards and commissions have regular meetings with the Mayor and City Council. Half have developed a board profile, but only two of ten reported developing job descriptions for candidates for appointment to their boards and commissions. Nine of ten respondents answered yes when asked, “Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization’s activities?” (See Exhibit 2.)

Exhibit 2. Responses to Questions About Representing the People of Kansas City

Question	Yes	No
Has the board had regular meetings with the Mayor and City Council?	6	4
Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization's activities?	9	1
Has the board conducted business in accordance with the Missouri Sunshine law?	10	0
Has the board communicated with other city boards and organizations to see how its activities fit within the city's "big picture"?	8	1 ⁶
Has the board developed a "board profile" to help the mayor in choosing candidates for appointments to the board?	5	5
Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?	4	6
Has the board developed job descriptions for candidates for appointment?	2	7 ⁶

Public input is essential to assessing public expectations. City boards and commissions are to represent the people of Kansas City. Board members are to make decisions that will manifest the best interests of the public. Boards should seek to enhance the credibility of their organizations, and communicate and cooperate with other organizations in order to understand how they fit into the “big picture.” Boards should gather evidence of the public’s concerns, and should have direct contact with citizens, and their representatives, including the City Council.

Boards that do not seek outside information risk cultivating an insular view and losing touch with the public they are serving. Publicly reporting on performance measures is one way to encourage communication.

In our 2002 performance audit of park conditions, we found that the Board of Parks and Recreation Commissioners was not monitoring park

⁶ The Kansas City Downtown Minority Development Corporation (KCDMDC) responded with N/A, or not applicable, to this question.

conditions by asking for or receiving regular performance information from management about conditions. In addition, citizen survey data showed that a third of Kansas City residents' households seldom or never visited a Kansas City park.

Our audit recommended that the board, exercising ownership of city parks on behalf of the citizens, require management to publicly and routinely report citywide performance data on the condition of city parks. The Board agreed and instituted the SHAPE (Safe, Healthy, Attractive Public Environments) program. Now, management is routinely monitoring and reporting to the Board and public on park conditions citywide.

The audit also suggested that the board seek information from other sources independent of management such as surveys, focus groups, and communications with stakeholders and constituents.

Building a board profile translates strategic goals. A board profile is a way of translating the organization's strategic goals and priorities into a description of the people who will lead the organization in the future. A board profile is based on the desired knowledge, skills, and abilities that the board will need in order to address the challenges facing the organization in coming years.⁷ The board profile should encourage diverse thought, background, and experience for the board.

Questions boards should ask. Boards should gather evidence of the public's concerns and should have direct contact with citizens. Boards should consider the challenges of future public needs. Questions board members should ask include:

- What is the public interest that we serve? How do we know? Whom should we ask?
- Have we had the impact we expected in the community? How do we know? Whom should we ask?
- How often should we meet with the City Council?
- How often should we hold public meetings?
- What are the challenges the board will face in the future?

⁷ United Way of Canada—Centraide Canada, Board Basics Kit Manual, Voluntary Round Table, www.boarddevelopment.org/display_document.cfm?document_id=27.

- Do we have the knowledge, skills, and abilities to address those challenges?
- Should we develop a board profile to ensure continuation of the organization's strategic goals?

Ensuring a High Level of Board Performance and Effectiveness

About 59 percent of the boards' answers indicated the establishment of functions to ensure a high level of board effectiveness, particularly in the areas of adopting a board manual or by-laws, and setting and controlling the agenda. (See Exhibit 3.)

Exhibit 3. Responses to Questions About Ensuring a High Level of Board Effectiveness

Question	Yes	No
Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, decisions are communicated?	8	2
Has the board adopted a board manual or by-laws?	10	0
Has the board adopted a code of ethical conduct?	4	6
Has the board adopted a conflict of interest policy?	6	4
Has the board developed job descriptions for board members?	6	4
Has the board had an orientation for new members?	7	3
Has the board had ongoing training for the board members?	5	5
Has the board adopted and enforced an attendance/absenteeism policy?	0	10
Has the board had a collective self-evaluation?	3	7
Has the board set and controlled the agenda?	10	0

A code of ethics helps boards monitor behavior. Boards should regulate their behavior through by-laws, job descriptions, and a code of ethics. Without a definition of the standards of appropriate behavior, it is not possible to determine when those standards have been breached. Boards should conduct orientation for new members and implement ongoing board training. Boards should regularly self-evaluate their performance.

Boards that do not operate systematically, openly, and ethically risk taking actions that do not benefit the public they represent. A code of

ethics, which specifies appropriate and inappropriate actions could prevent or discourage inappropriate behavior.

For example, in a performance audit of the Port Authority we found that while revenues and expenditures had increased dramatically after voters approved gaming boats, the board did not have operating or capital budgets. In addition, other internal controls and procedures were inconsistent or did not exist. Subsequently, the Chairman of the Port Authority was convicted of paying bribes to city and county elected officials.

Collective self-evaluation can keep boards motivated. Boards have a responsibility to examine periodically their design and the way they are working together. A starting point is taking an honest look at how, and how well, board members are working with one another. An effective board is both supportive and challenging of management, and reaches consensus while encouraging dissent—balances that are hard to achieve.⁸

Questions boards might ask. Boards should set the agenda, and lead rather than react. In order to enhance a high level of board performance, members should ask one another questions, including:

- Do we have current by-laws, job descriptions, and a code of ethics?
- Is there a system of checks and balances to prevent conflicts of interest? Are there sanctions?
- What expert skills do we need? Do we have members that possess them?
- What orientation should we provide for new board members?
- Should we provide on-going board training?
- Should we have a recruitment plan and board profile?
- Do we need an attendance/absenteeism policy?

Ensuring Management Compliance with Board Directives

The checklist questions that we asked about ensuring management compliance with board directives related to *what* the CEO reports on,

⁸ Book Review by Martha Lagace, Senior Editor, *Harvard Business School Working Knowledge*, December 22, 2003, p. 7, of *Back to the Drawing Board*, by Jay Lorch and Colin B. Carter, 2004.

when, and how often. Other questions related to the establishment of an audit function. (See Exhibit 4.)

Exhibit 4. Responses to Questions About Ensuring Management Compliance with Board Directives

Question	Yes	No	NA
Has the board specified what the CEO must report on, when and how often?	7	2	1
Has the board defined the criteria against which the CEO reports will be compared?	3	6	1
Has the board organized an audit committee?	7	3	
Has the board provided for an internal audit function?	5	5	
Is the internal audit function independent from the accounting and finance functions? ⁹	5		5
Does the internal audit function have access to the audit committee? ⁹	4	1	5
Has the board provided for regular external review of the organization's financial statements?	10	0	

Performance measures help boards ensure management compliance.

Effective performance measures provide useful, reliable information about board directives and goals. Effective performance measures relate to the board's mission, are of interest to the public, and allow the board to allocate resources.

Boards that do not set organizational and performance goals risk difficulty measuring and improving performance. If the board does not know how well the organization is doing, it cannot know whether it needs to improve. By establishing criteria to measure performance, the board and the CEO can measure success.

For example, in a 2002 audit we found that the Board of Parks and Recreation Commissioners had not established performance measures to evaluate community center staff or center performance. The board had established goals for community centers, but without corresponding performance measures, it was difficult for the board to determine how well staff was performing. Performance goals give the board criteria against which to measure performance; performance measures also give management the motivation to improve.

⁹ Five of the boards responded N/A, or not applicable, because they do not have an internal audit function. (See Appendix A for responses of individual organizations.)

An audit function can help boards with compliance. An internal audit function, independent of the accounting and finance functions, with direct access to the board's audit committee is one way that a board can ensure management's compliance with its policies, standards, rules and procedures.

Questions boards should ask. In order to ensure management's compliance with board directives and goals, boards must know where the organization is, compared to its goals. Boards need information—*what* the CEO must report on. Board members need information in a timely fashion—*when* the CEO should report. Board members should ask questions of one another and of management. Some questions board members might ask would include:

- What legal requirements does our organization have? How do we know if we are in compliance?
- How do we know that management complies with our organization's financial policies?
- How do we measure success? What are the criteria for measuring success?
- Do we have performance measures to determine whether we are achieving our goals?
- Do management's reports reflect progress toward goals—is the information pertinent and is it the right information?
- Do we need different information? What do we want to know, about what, from whom?
- Can reports of internal and external auditors help make the board and management more effective?
- How can we establish an audit function and an audit committee?

Appendix A

Summary of Governance Checklist 2004 Responses

Summary of Governance Checklist 2004 Responses

	Board of Police Commissioners	Board of Parks and Recreation Commissioners	Tax Increment Financing Commission	Metropolitan Ambulance Services Trust	Land Clearance for Redevelopment Authority	Port Authority of Kansas City, Missouri	Economic Development Corporation	Kansas City Downtown Development Corp.	Maintenance Reserve Corporation	Kansas City Corp. for Industrial Development
y = yes n = no n/a = not applicable										
1. Has the board established overall goals for the organization?										
Has the board set overall goals for the organization?	y	y	y	y	y	y	y	y	y	y
Has the board prepared a mission statement?	y	y	n	y	y	y	y	y	y	n
Do the goals describe the end result of the organization's activities?	y	y	y	y	y	y	n	y	y	y
Has the board communicated organizational goals to management?	y	y	y	y	y	y	y	n/a	y	y
Has the board engaged in strategic planning?	y	y	y	y	y	y	y	n/a	y	n
2. Has the board adopted policies that delineate board and staff responsibilities?										
Has the board adopted policies that delineate the latitude and the power of the CEO?	y	y	y	y	y	n	y	n/a	y	y
Has the board adopted policies that prohibit specific management actions that are unethical or unacceptable?	y	y	y	y	n	n	n	n/a	y	n
Has the board adopted policies that prescribe board-CEO relationship?	y	y	y	y	n	n	n	n/a	y	n
Are management-related policies addressed to the CEO?	y	y	y	y	Y	y	y	n/a	y	y
Has the board adopted any financial planning, revenue, and expenditure policies?	y	y	y	y	n	y	y	n/a	y	y

Summary of Governance Checklist 2004 Responses

	Board of Police Commissioners	Board of Parks and Recreation Commissioners	Tax Increment Financing Commission	Metropolitan Ambulance Services Trust	Land Clearance for Redevelopment Authority	Port Authority of Kansas City, Missouri	Economic Development Corporation	Kansas City Downtown Development Corp.	Maintenance Reserve Corporation	Kansas City Corp. for Industrial Development
y = yes n = no n/a = not applicable										
3. Has the board ensured management compliance with board directives?										
Has the board specified what the CEO must report on, when, and how often?	y	y	y	y	y	n	y	n/a	y	n
Has the board defined the criteria against which the CEO reports will be compared?	y	y	n	y	n	n	n	n/a	n	n
Has the board organized an audit committee?	y	n	y	y ¹⁰	y	y	y	n	y	n
Has the board provided for an internal audit function?	y	y	y	y	n	n	n	n	y	n
Is the internal auditor independent from the accounting and finance function?	y	y	y	y	n/a	n/a	n/a	n/a	y	n/a
Does the internal auditor have access to the audit committee?	y	n	y	y	n/a	n/a	n/a	n/a	y	n/a
Has the board provided for regular external review of the organization's financial statements?	y	y	y	y	y	y	y	y	y	y

¹⁰ MAST reported it has not established an audit committee, but indicates its finance committee performs this role.

Summary of Governance Checklist 2004 Responses

	Board of Police Commissioners	Board of Parks and Recreation Commissioners	Tax Increment Financing Commission	Metropolitan Ambulance Services Trust	Land Clearance for Redevelopment Authority	Port Authority of Kansas City, Missouri	Economic Development Corporation	Kansas City Downtown Development Corp.	Maintenance Reserve Corporation	Kansas City Corp. for Industrial Development
y = yes n = no n/a = not applicable										
4. Has the board ensured accountability for achieving organizational goals?										
Has the board monitored the organization's progress toward accomplishing its mission?	y	y	n	y	y	y	y	y	y	n
Does the board hold the CEO responsible for the organization's performance as it relates to the achievement of overall organizational goals?	y	y	y	y	y	y	y	n/a	y	y
Has the board regularly assessed the CEO's performance?	y	y	y	y	y	y	y	n/a	y	n
Has the board reviewed and updated the policies, mission statement, and goals?	y	y	y	y	y	y	y	n	y	n
Has the board sought information on whether the organization is achieving its goals from sources independent of management?	y	y	y	y	y	y	y	n/a	y	n

Summary of Governance Checklist 2004 Responses

	Board of Police Commissioners	Board of Parks and Recreation Commissioners	Tax Increment Financing Commission	Metropolitan Ambulance Services Trust	Land Clearance for Redevelopment Authority	Port Authority of Kansas City, Missouri	Economic Development Corporation	Kansas City Downtown Development Corp.	Maintenance Reserve Corporation	Kansas City Corp. for Industrial Development
y = yes n = no n/a = not applicable										
5. Has the board ensured a high level of board performance and effectiveness?										
Has the board adopted policies that prescribe board activities and the manner in which board meetings are conducted, the committees are structured, decisions are communicated?	y	y	y	y	y	n	y	y	y	n
Has the board adopted a board manual or by-laws?	y	y	y	y	y	y	y	y	y	y
Has the board adopted a code of ethical conduct?	y	y	n	n	n	n	n	n	y	y
Has the board adopted a conflict of interest policy?	y	y	y	n	n	n	y	y	y	n
Has the board developed job descriptions for board members?	n	y	n	y	n	y	y	n	y	y
Has the board had an orientation for new members?	n	y	y	y	y	y	y	n	y	n
Has the board had ongoing training for the board members?	y	y	y	y	n	y	n	n	n	n
Has the board adopted and enforced an attendance/absenteeism policy?	n	n	n	n	n	n	n	n	n	n
Has the board had a collective self-evaluation?	n	y	n	y	n	y	n	n	n	n
Has the board set and controlled the agenda?	y	y	y	y	y	y	y	y	y	y

Summary of Governance Checklist 2004 Responses

	Board of Police Commissioners	Board of Parks and Recreation Commissioners	Tax Increment Financing Commission	Metropolitan Ambulance Services Trust	Land Clearance for Redevelopment Authority	Port Authority of Kansas City, Missouri	Economic Development Corporation	Kansas City Downtown Development Corp.	Maintenance Reserve Corporation	Kansas City Corp. for Industrial Development
y = yes n = no n/a = not applicable										
6. Has the board represented the people of Kansas City?										
Has the board had regular meetings with the Mayor and the City Council?	y	y	y	y	n	y	y	n	n	n
Has the board assessed the needs, concerns, and demands of the people of Kansas City regarding the organization's activities?	y	y	y	y	n	y	y	y	y	y
Has the board conducted business in accordance with the Missouri Sunshine Law?	y	y	y	y	y	y	y	y	y	y
Has the board communicated with other city boards and organizations to see how its activities fit within the city's "big picture"?	y	y	y	y	y	y	y	na	y	n
Has the board developed a "board profile" to help the Mayor in choosing candidates for appointments to the board?	n	y	y	y	n	y	y	n	n	n
Does the board profile describe the desired knowledge, skills, abilities, and other characteristics for prospective board members?	n	n	y	y	n	y	n	n	y	n
Has the board developed job descriptions for candidates for appointment?	n	n	n	y	n	n	n	na	y	n

Appendix B

Summary of Boards and Commissions

Summary of Participating Boards and Commissions

Kansas City Board of Police Commissioners

Responses to the checklist suggest the Board of Police Commissioners has established the following core governance functions:

- leading the organization,
- setting policies delineating management responsibilities,
- ensuring management compliance with board directives, and
- ensuring accountability for achieving organizational goals.

The board reports that it has not developed job descriptions because the duties and powers of the Commissioners are established by state statute. The board has no formal orientation for new members, but provides new members with a copy of the board manual and new members meet with Police Department staff to become acquainted with department operations. The board also pointed out that they have not developed a board profile to assist in choosing candidates for appointment because this is a role of the Governor.

The Governor appoints four members of the board, and the Mayor serves by virtue of her office.

The board reports its mission as:

The mission of the Kansas City, Missouri Police Department is to protect life and property, preserve the public peace, prevent crime and reduce fear and disorder in partnership with the community. In an effort to assist all members in performing in such a manner as to accomplish our mission, the following department goals are provided: prevent crime; improve relationships; and provide excellent customer services.

Commissioners frequently meet with City Council members and the City Manager. The board assesses the needs of the public through initiatives such as Kansas City Together, and Commissioners attend meetings with community groups and businesses such as MOVE UP, the Mid-town Council, neighborhood and merchant associations, and other civic groups.

Board of Parks and Recreation Commissioners

The responses of the Board of Parks and Recreation Commissioners suggest that nearly all core functions are developed. The board has an internal audit function, independent of accounting and finance; however, the board does not have an audit committee. The board has not developed a board profile or job descriptions, because these functions are described in the city code, or under the purview of the Mayor.

The Mayor appoints the Commissioners to the five-member board. The board oversees the department's management of all parks, parkland, facilities and boulevards within the parks system.

The board's mission is as follows:

The board's mission is to improve the quality of life by providing recreational, leisure and aesthetic opportunities for all citizens, and by conserving and enhancing the environment. We will accomplish this mission by providing quality programming, making the best use of existing resources, developing a supportive and influential constituency, developing effective collaborations and partnerships, and acquiring and preserving natural resources.

Board members meet frequently with the Mayor and City Council. The board also meets with other complementary agencies in the public, not-for-profit and private sector. Each public meeting allows time for public testimony.

Tax Increment Financing Commission

The Mayor with City Council approval appoints the six-member Board of the Tax Increment Financing Commission. The board's responses indicated the establishment of many core governance functions. While the TIF Commission does not have a board-prepared mission statement, the goal of tax increment financing is to eliminate blight and promote economic development. The board has not adopted a code of ethical conduct, developed job descriptions, adopted an attendance/absenteeism policy, nor done a collective self-evaluation of its performance. The board has developed a board profile describing the knowledge, skills, and abilities needed for prospective board members.

To know and represent the interests of Kansas City, Commissioners include representatives of school districts, counties and other taxing

districts in project approval discussions, and work with city departments and the City Council.

Metropolitan Ambulance Services Trust

Responses to the questions posed suggest the Board of the Metropolitan Ambulance Services Trust has established the following core governance functions:

- leading the organization,
- delineating board and staff responsibilities,
- ensuring management compliance with board directives,
- ensuring accountability for achieving organizational goals, and
- representing the people of Kansas City.

In the core function of ensuring a high level of board performance, responses show the board has not developed a code of ethical conduct, or a conflict of interest policy.

By ordinance, the Mayor and Council expanded the membership to nine members in 2004 and defined the minimum qualifications of the board:

- Two elected members of the City Council
- One licensed physician, clinically experienced and currently involved in the practice of emergency medicine in an area receiving hospital
- One person experienced in health care administration, such as a CEO of a hospital or a Vice President of a health care system
- One business executive with experience in leading a multi-million dollar private company
- One licensed lawyer with a background in the legal aspects of the healthcare industry
- One CFO of a healthcare organization, such as a major hospital healthcare system, or other position of financial responsibility
- One certified public accountant with healthcare experience
- One consumer representative

The city's Health Director, the medical director of the EMS System, and the Budget Officer of Kansas City, Missouri serve as ex officio members of the Trust. The board is responsible for overseeing the ambulance service and for charging and collecting fees. City code requires MAST to contract for all labor and management services to operate its control center and ambulances. MAST may act as operations contractor in an emergency or the absence of qualified bids or proposals at reasonable cost.

The board reported its mission as follows:

MAST's goal is to preserve life and health. The board does this by providing high quality, prompt and affordable emergency services, medically related transportation and public education in a caring, courteous and equitable manner.

Land Clearance for Redevelopment Authority

The Mayor appoints the Commissioners to the Land Clearance for Redevelopment Authority (LCRA). According to the board's responses, the LCRA has established two core functions:

- leading the organization, and
- ensuring accountability for achieving organizational goals.

Responses show that the LCRA has not adopted policies that prescribe the board-CEO relationship, and has not adopted any financial planning, revenue, and expenditure policies. The board has not defined criteria against which the CEO's reports will be compared. The responses showed the LCRA does not meet regularly with the Mayor and City Council.

The goal of the LCRA is to redevelop blighted areas. The board accomplishes this by encouraging, initiating, and assisting in the revitalization of designated urban redevelopment areas. The board's meetings are open to the public, and staff members attend neighborhood meetings.

Port Authority of Kansas City, Missouri

The City Council created the Port Authority of Kansas City, Missouri, in 1977 to promote the general welfare of citizens of Kansas City, to encourage private capital investment, and to increase the volume of commerce. The City Council appoints board members. The board's responses to the survey questions indicated the development of the following core governance functions:

- leading the organization,
- ensuring accountability for achieving organizational goals, and
- representing the people of Kansas City.

The board has not adopted policies that delineate the latitude and power of the CEO. The board has not specified what the CEO must report on,

when and how often. The board has not defined criteria against which the CEO's reports will be compared. In the core function of ensuring a high level of board performance and effectiveness, the board has not adopted a code of ethics or a conflict of interest policy.

The board meets with the Mayor and City Council regularly and has assessed the needs, concerns and demands of the people of Kansas City regarding their activities. The board also includes citizens and stakeholders in discussions of their development plans and conducts citizen focus groups.

Economic Development Corporation

The responses of the Board of the Economic Development Corporation show the establishment of some, but not all, core governance functions. The board reported that it has established functions to ensure accountability for achieving its goals.

The board has not established goals to describe the end result of the organization's activities. The board has not adopted policies that prescribe the board-CEO relationship. The EDC board has not defined the criteria against which the CEO's reports will be compared. The EDC has not provided for an internal audit function, although it has an audit committee. The board has not developed a code of ethical conduct, and has not completed a collective self-evaluation.

The board reports its mission as follows:

The Economic Development Corporation's (EDC) mission is to retain, grow and improve businesses to maintain and develop jobs in Kansas City, Missouri.

The EDC's affiliate agencies are:

- The Downtown Economic Stimulus Authority
- Greater Downtown Development Authority
- Kansas City Corporation for Industrial Development (KCCID)
- EDC Loan Corporation, originally known as the KCCID—Capital Investment Fund
- Land Clearance for Redevelopment Authority
- The Tax Increment Financing Commission
- Port Authority of Kansas City, Missouri

Kansas City Downtown Minority Development Corporation

The Kansas City Downtown Minority Development Corporation (KCDMDC) responded indicating that it does not have a CEO, but rather a Chairman who is also a member of the board. The board has not held a meeting since October 2003. The KCDMDC did not provide an audited financial statement this year. The board does not regularly meet with the Mayor and City Council.

The five-member board of KCDMDC has four members appointed by the Mayor with Council approval, and the City Manager, or his designee serving as the fifth member of the board. The board's Articles of Incorporation state that the organization was formed exclusively for civic and social welfare purposes and is to operate for the benefit of the people of Kansas City. Their goal is to assist low and moderate-income residents and help new and existing minority businesses to locate or expand in the Central Business District.

Maintenance Reserve Corporation

The Board of the Maintenance Reserve Corporation consists of five city employees appointed by the City Manager. The board's responses indicated it has established many of the core governance functions. The executive director of the Housing and Economic Development Finance Corporation serves as the program administrator for the board.

The board reported that it has not defined the criteria against which management reports will be compared. The board has not done a collective self-evaluation and does not meet regularly with the Mayor and City Council.

The goal of the MRC is to provide long-term home maintenance assistance to low and moderate income residents of Kansas City, Missouri.

Kansas City Corporation for Industrial Development

The Kansas City Corporation for Industrial Development (KCCID) is a component unit of the City of Kansas City, Missouri and is also an affiliate agency of the EDC. According to the board's responses it has not prepared a mission statement, nor has it engaged in strategic planning. The board has not reviewed and updated policies and goals, nor has it sought information about achieving its goals. The board does not meet regularly with the Mayor and City Council.

The goal of the KCCID is commercial and industrial development of the Paseo West area. The Board meets on an as needed basis.